

Foothill Transit Executive Board

MINUTES

The regular meeting of the Foothill Transit Executive Board was held Friday, September 26, 2008, at the Foothill Transit Board Room, 2nd Floor, 100 South Vincent Avenue, West Covina.

President Delach called the meeting to order at 8:07 a.m. The following members were present, constituting a quorum of the Executive Board:

Peggy Delach, President
Michael De La Torre, Vice President
Roger Chandler
Paula Lantz
Lola Storing

Staff and Guests present:

Doran Barnes, Executive Director
Kevin McDonald, Deputy Executive Director
Ed Gill, Legal Counsel
Darold Pieper, General Counsel
Lee Millen, Deputy Secretary
Richard Hasenohrl, Director of Finance
Dietter Aragon, Planning Manager
Gary Nehls, Director of Procurement
David Reyno, Director of Government Relations
Lashawn King Gillespie, Director of Planning
Linda Somilleda, Director of Marketing & Communications
Peter Greenberg, General Manager
Mark Jacobson, General Manager
Nick Pomporas, Sr. Vice President, First Group
John Semcken, Vice President, Majestic Realty Co.
Rich Kikuchi, Lance, Soll & Lunghard LLP

PLEDGE OF ALLEGIANCE

President Delach led those present in the Pledge of Allegiance.

APPROVAL OF MINUTES FOR THE SPECIAL MEETING OF AUGUST 29, 2008

The minutes listed above were approved as submitted.

Motion: Member Chandler, seconded by Vice President De La Torre
Vote: Unanimously carried

PRESENTATIONS:

5.1 Contractors' Employee Recognition

Mark Jacobson, General Manager, introduced and recognized the Arcadia location MV Transportation Operator & Employee of the Month: Diana Yarrish, Operator of the Month, who has scored three Perfect Ride checks in the course of her eight years with Foothill Transit; and Sandra Uplinger, Employee of the Month, who could not attend the meeting.

Peter Greenberg, General Manager, introduced and recognized the Pomona location First Transit Operator of the Month: Jonathan Cryer, Operator of the Month, who has been with Foothill Transit for two years with a perfect attendance and accident record. He is a line instructor and coaches new drivers; he is also a behind-the-wheel instructor.

Doran Barnes, Executive Director, introduced and recognized the West Covina Veolia Transportation Employee of the Quarter: T. J. Nass, Transportation Safety Officer. He started with the company in Operations, transitioned into Marketing, and following a sabbatical is in the Safety and Security Department, where he's shown exceptional leadership qualities and sets a very positive example to both patrons and staff. Foothill Transit is very fortunate to have him on their team.

The Executive Board commended the awardees.

5.2 Introduction of New & Promoted Staff

Doran Barnes, Executive Director, introduced and recognized Aaron Lim, Foothill Transit's new Facilities Manager. Aaron first worked as a coach operator for Foothill Transit from 1991-1997. He's worked for the Foothill Transit management contract for 11 years. He began as the Distribution Coordinator and then was promoted to Signage and Distribution Supervisor. In his new position Aaron will insure the maintenance of the Administration Building and the two Operations and Maintenance facilities.

Four New Hires were introduced: (1) Lorena Bautista, part-time Customer Service Representative, who operates as a floater, so she works at various Transit Stores throughout the area. She is currently a full-time student at Citrus College; (2) Lauren Sharpe, part-time Procurement Administrative Assistant, who is currently studying Business Law at Citrus College; (3) Cindy Baldwin, part-time Facilities Administrative Assistant, where she's working towards obtaining entrance into the licensed vocational nursing program at Citrus College, and (4) Andrea Urbas, Director of Facilities, who has over 28 years of planning, environmental, and project management experience. Her experience includes Entitlement Facilitation and Consultant and Agency Coordination, preparation of Specific Plans and General Plan Updates, as well as documents that comply with the California Environmental Quality Act, Section 106 of the National Historic Preservation Act, and the National Environmental Policy Act.

PUBLIC COMMENT

Nick Promponas, Senior Vice President, First Group Transit reported that the National Safety Council has awarded First Group Transit the 2009 Green Cross For Safety Award. It's the highest award for safety in the United States and adds First Group alongside previous recipients such as UPS and Delta Airlines.

The Executive Board highly commended First Group Transit.

CONSENT CALENDAR:

The Executive Board adopted Consent Calendar items 7 through 12.

Motion: Member Storing, seconded by Vice President De La Torre
Vote: Unanimously carried

FISCAL YEAR 2009 FINANCIAL STATEMENTS AND INVESTMENT SUMMARY(cont.)

Discussion ensued regarding Fiscal Year 2009 Financial Statement and Investment Summary. Richard Hasenohrl, Director of Finance, advised that the report reflects Foothill Transit's deposits with the Bank of the West and the Local Agency Investment Fund (LAIF). All deposits are insured for up to \$100,000. In response to Member Lantz, Mr. Hasenohrl noted that Wells Fargo has secured 110% collateral for security of Foothill's investment in Bank of the West.

Foothill Transit has on average between \$2 and \$6 million deposited at Bank of the West. Member Lantz recommended that Foothill Transit diversify their funds to protect their assets because of the current precarious situation with banking systems. President Delach proposed identifying Foothill Transit's distribution of funds.

Following further discussion, the Executive Board amended its approval of Agenda Item #7 to include a request for a financial analysis to be presented next month.

PROPOSED NFL STADIUM PROJECT

LaShawn King Gillespie, Director of Planning, reported that an environmental impact report (EIR) was issued on August 27, 2008 which calls for a currently undeveloped 592-acre parcel of land in the City of Industry to be developed into a professional National Football League (NFL) stadium complex. The proposed stadium project, to be located near the intersection of the 57 and 60 freeways, would be accompanied by nearly 3 million square feet of mixed-use (entertainment, retail, commercial, office) as well as up to four NFL practice fields, an NFL training facility, and a sports medical clinic. A parking lot would also be constructed to accommodate all usages.

John Semcken, Vice President, Majestic Realty Company, provided a power point presentation and reported that the stadium should be completed by 2012. Mr. Semcken noted that the environmental review process should be finalized by December, and

thereafter the EIR will be presented to the President of the NFL for his review. Following the selection of an NFL team, sports events can begin by 2012.

The project's four components are:

1. The team will train at the stadium, and its executive office and athletic medical facility will be on-site.
2. The stadium will have 75,000 seats, which can be expanded to 85,000 for an NFL Super Bowl game.
3. An entertainment-retail center comparable to Universal City Walk, which includes a 5,000-seat live theater and a 1,200-seat movie theater. There will also be 4 million square feet of office space available.
4. The stadium will have 25,000 parking spaces with an additional 15,000 parking spaces on reserve. The Los Angeles Coliseum for example has traffic entering from a single direction, however, the proposed Stadium has several directions and various freeways from which spectators can enter.

Because the stadium will only have 25,000 parking spaces in proportion to 75,000 seats, there is an increased need for public transit to the facility, which will benefit Foothill Transit greatly.

Foothill Transit staff has discussed mitigating some of the traffic impact the stadium would bring during the 10 to 12 NFL games held per year, and other potential opportunities to encourage transit usage to the development throughout the year.

Following discussion, the Executive Board received and filed the Proposed NFL Stadium Project report.

Motion: Member Storing, seconded by Vice President De La Torre
Vote: Unanimously carried

FISCAL YEAR 2008 FINANCIAL AND COMPLIANCE AUDIT RESULTS

Rich Kikuchi, Lance, Soll and Lunghard LLP, reported on the completion of their audit (copy on file) of Foothill Transit's balance sheet as of June 30, 2008, and the related statements of revenues, expenses and cash flow. The audit was conducted in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. The audit was performed for the purpose of forming an opinion regarding Foothill Transit's financial statements.

For the sixth year in a row, Foothill Transit has received a clean audit. The Auditors did not recommend and/or require any adjustments to Foothill Transit's financial statements to properly reflect the financial position and changes in its financial position for the fiscal year ended June 30, 2008.

The Executive Board received and filed the Fiscal Year 2008 Financial and Compliance Audit Results.

Motion: Member Chandler, seconded by Member Storing
Vote: Unanimously carried

INVITATION TO THE CITY OF PASADENA TO JOIN THE FOOTHILL TRANSIT JPA

David Reyno, Director of Government Relations, reported that at the Annual Governing Board meeting on May 7, 2008 the Foothill Transit Governing Board directed staff to extend an invitation to the City of Pasadena to join the Foothill Transit Joint Powers Agreement (JPA).

A letter was sent to each member city's Mayor with copies to the City Manager, Foothill Transit Governing Board Members, and Governing Board Alternates requesting comments regarding the addition of Pasadena as a member agency, the proposed structure change to the Foothill Transit Governing Board, and initial thoughts on whether they would approve Pasadena as a Foothill Transit JPA member. For the Los Angeles County cluster, letters were sent to the three County Supervisors and their Governing Board representative. Responses were requested by October 1, 2008.

Foothill Transit received responses from La Puente, San Dimas, Glendora, West Covina, Industry and Duarte, which consists of a third of the Governing Board. They all indicated support for adding Pasadena as a JPA member and offered no additional comments or concerns.

The next step in this process is for the Executive Board to recommend to the Governing Board that an invitation be extended to Pasadena to join the JPA. This will require another letter to each member city and County representatives to place this item on an upcoming meeting agenda for an official vote regarding specific changes to the Foothill Transit JPA that would allow Pasadena to become a member.

Following discussion, the Executive Board recommended to the Foothill Transit Governing Board to extend an invitation to the City of Pasadena to join the Foothill Transit JPA.

Motion: Member Lantz, seconded by Vice President De La Torre
Vote: Unanimously carried

CONTRACT AWARD FOR TRANSIT BUSES (RFP No. 09-001)

Gary Nehls, Director of Procurement, reported that 40 buses on the Foothill Transit fleet have reached the Federal Transit Administration (FTA) threshold of either being in service for over 12 years or have reached 500,000 miles. There are also 42 additional busses that will be eligible for retirement within the next two years. These 82 busses comprise the last of the diesel fueled vehicles in the fleet. The 30 new North American Bus Industries (NABI) CNG-fueled High Occupancy Vehicles (HOVs) will replace the aging diesel coaches. They will be a low-floor design with a seating capacity for 45 passengers configurable for commuter or local service. Delivery is expected in mid-2009.

A Request For Proposal (RFP) No. 09-001 was issued on July 1, 2008, and a pre-proposal conference was held on July 22, 2008 at the Foothill Transit administrative offices where vendors discussed the RFP with Foothill Transit. Proposals were due on

August 19, 2008 with NABI being the sole proposer in response to the RFP. In accordance with Foothill Transit's procurement policies, a price analysis was conducted to determine that the price proposal received from NABI was reasonable. The RFP called for proposals on 41-foot by 45-foot HOVs.

The cost of 30 NABI 42-foot BRT busses is \$530,458 per bus, including delivery. Additional diagnostic and support equipment at a cost of \$25,479 brings the total contract amount to \$15,939,219. State sales tax in the amount of \$1,314,985.56 will be paid separately by Foothill Transit. Funding for these vehicles is included in Foothill Transit's approved Fiscal Year 2009 budget.

Doran, Barnes, Executive Director, reported that a State sales tax is being applied to the purchase, without which the buses could not be registered.

Following discussion, the Executive Board authorized the Executive Director to negotiate final contract terms and conditions, and execute a contract in the amount of \$15,939,219 with North American Bus Industries (NABI) for the purchase of thirty 42-foot low-floor CNG fueled High Occupancy Vehicles (HOVs).

Motion: Member Chandler, seconded by Member Lantz
Vote: Unanimously carried

MANAGEMENT CONTRACT AMENDMENT FOR BUS LINE INSPECTIONS

Darold Pieper, General Counsel, reported that Foothill Transit engages in the regular replacement of its bus fleet using Federal Transit Administration (FTA) funding equal to 80 percent of the bus purchase cost. A stipulation of using federal funding is that a comprehensive bus line inspection program be in place for the duration of the manufacturing process. These factory inspections are designed to ensure compliance to the bus specification and place increased attention on manufacturing quality and property-specific equipment installations.

Bus line inspections can be accomplished by using Veolia personnel or securing an independent contractor. On past procurements, Veolia employees, with support from personnel from First Transit, conducted the inspections of 51 buses from Orion Bus Industries, as well as 85 40-foot buses and the 30 60-foot Silver Streaks from NABI.

The level of inspection service provided by an independent contractor outside of Foothill Transit is often directly proportional to the amount of money the transit agency is willing to invest. Additionally, using an independent contractor would still require some level of Veolia staff oversight. Performing inspections using Veolia in-house staff utilizes inspectors that take ownership of the process and is an excellent tool for further advancement of their own maintenance skill sets. The in-house inspections will not only satisfy FTA requirements, but will also contribute to the overall quality of the new

Foothill Transit buses. Manufacture of the Foothill Transit buses at NABI in Budapest, Hungary is expected to commence in the fall of 2008, and conclude in Anniston, Alabama in April, 2009.

The bus inspection expenditures will be capitalized and will not impact Foothill Transit's total operating budget. Foothill Transit's approved FY09 budget includes funding for the purchase of revenue vehicles. The FTA-required bus line inspection costs are included in the capital bus purchase line item and will be charged to this account. Payments will be made to Veolia in five equal installments of \$7,020 beginning December 1, 2008, for inspection of the base order of 30 buses.

Following discussion, the Executive Board authorized the payment of an additional \$35,100 under Foothill Transit's Management Services Agreement with Veolia Transportation Services, Inc., for the purpose of conducting bus line inspections of 30 North American Bus Industry (NABI) CNG buses in Budapest, Hungary and Anniston, Alabama.

Motion: Member Chandler, seconded by Member Lantz
Vote: Unanimously carried

VEOLIA TRANSPORTATION ROSE BOWL SERVICE SUPERVISION

Darold Pieper reported that Section 4.5 of the management services agreement between Foothill Transit and Veolia Transportation provides that Veolia will receive any sums of money collected by Foothill Transit by the Rose Bowl Operating Company (RBOC) for supervisory services rendered by Veolia employees under the Rose Bowl contract. The contract between Foothill Transit and RBOC, however, was nullified by the recently instituted FTA Charter Regulations, and Foothill Transit will not collect any subsidy funds from the RBOC for this year's transit service from downtown Pasadena to the Rose Bowl.

The most recent agreement between the RBOC and Foothill Transit stipulated that Foothill Transit provide one supervisor for every five buses for the service at a base rate of \$70.14 per hour. That supervision has been critical to ensuring smooth and efficient loading of the buses as customers travel to and from the Rose Bowl during UCLA Football home games, and will be more so this year with customers paying fares onboard for the first time.

Payment to Veolia Transportation for supervision of Foothill Transit's service during the 2008 Rose Bowl Season and the 2009 Tournament of Roses Game is estimated to total \$50,000 for the season. Funding is available in the Fiscal Year 2009 operating budget for this payment. In addition, the Board's previous action regarding services to the Rose Bowl, all costs related to this service, including supervision, are being paid by Foothill Transit without any third party financial support.

Following discussion, the Executive Board authorized payments to Veolia Transportation in the amount of \$70.14 per hour for their services in the supervision of Foothill Transit's service during the 2008 Rose Bowl football season and the 2009

Motion: Member Lantz, seconded by Member Storing
Vote: Unanimously carried

TOURNAMENT OF ROSES SHUTTLE SERVICE

Kevin McDonald, Deputy Executive Director, reported that on September 5, 2008, Foothill Transit staff issued the required 14-day notification to all charter providers in the area registered with the Federal Transit Administration (FTA). Based on the response to that notification, Foothill Transit may wish to file a petition with the Administrator of the FTA that would allow the agency to provide service to the Tournament of Roses game as subsidized charter service under the charter regulation's provisions for an event of regional or national significance.

Staff recommends that the Executive Board authorize the Executive Director to do either of the following: 1. File a petition with the Federal Transit Administrator that, if approved, will allow Foothill Transit to operate charter service on January 1, 2009 under the charter regulation's provisions for an event of regional or national significance; or 2. Continue to operate regular unsubsidized transit service between the Rose Bowl and the Parsons Engineering Building lot on January 1, 2009.

President Delach noted that the shuttle service would be a great promotion for Foothill Transit in that it would tap into a new market of customers. Doran Barnes, Executive Director, recommended action on staff's #1 recommendation as a first option. President Delach concurred, however, she suggested that if charter service is not possible, this should be Foothill Transit's last time providing service for this event until it can be compensated for services rendered.

Ed Gill, Legal Counsel, added that there have been waivers granted for other sporting events of national importance like the Kentucky Derby and the Indianapolis 500.

Following discussion, the Executive Board authorized the Executive Director to file a petition with the Federal Transit Administrator that, if approved, will allow Foothill Transit to operate charter service on January 1, 2009 under the charter regulation's provisions for an event of regional or national significance.

Motion: President Delach, seconded by Member Chandler
Vote: Unanimously carried

FISCAL YEAR 2008 MANAGEMENT CONTRACTOR INCENTIVE PAYMENT

Darold Pieper reported that Section 4.1 of the management services agreement between Foothill Transit and Veolia provides for the payment of an extraordinary performance bonus of up to \$100,000 annually. This amount shall be paid at the sole discretion of the Executive Board and shall not be added to the base compensation of Veolia Transportation for the ongoing management services that Veolia Transportation provides.

A letter to President Delach from Michael Griffus, President and Chief Operating Officer for Veolia Transportation (copy on file), lists their accomplishments during Fiscal Year 2008, which include:

1. Successful Dump The Pump Campaign
2. Passage of AB 2009
3. Closure of the Volumetric Excise Tax Credit (VETC) issue
4. Completion of the National Environmental Protection Act (NEPA) for New Park and Ride Structure.

Mr. Griffus noted in his letter that any incentive payment would be focused on enhancing programs for the Veolia Transportation employees assigned to serve Foothill Transit.

President Delach advised that Veolia Transportation indeed has done an excellent job, but with the economic downturn she would propose a bonus of \$75,000.

Following discussion, the Executive Board authorized an incentive payment in the amount of \$75,000 to Veolia Transportation for their efforts on behalf of Foothill Transit during Fiscal Year 2008.

Motion: President Delach, seconded by Vice President De La Torre
Vote: Unanimously carried

WEST COVINA PARK & RIDE A&E SERVICES CONTRACT AGREEMENT

Gary Nehls, Director of Procurement, reported that the Board has previously approved an amendment to the contract with Watry Design, Inc., for traffic analysis work. Subsequently, the City of West Covina has required that additional traffic analysis work be performed chiefly to respond to issues raised and requests made by the City. This work will be performed on a time and materials basis. The amendment will result in a total contract value of \$2,281,539 with Watry Design, Inc. Funding for this service is programmed in Foothill Transit's approved FY 2009 Business Plan.

In order to advance the project through the construction phase, Watry Design Inc's services are needed for design development, preparation of construction documents, bidding and plan check, construction administration, and preparation of record drawings. Their work will include design for the parking structure, the relocated drive-thru ATMs, at-grade on-site parking, and the reconfiguration of Vincent Avenue at Lakes Drive and of the east-bound I-10 on-ramp, and relocation of the Line 498 bus stop.

Member Lantz noted that a project of this magnitude is important to the community. President Delach concurred and added that it will be a great enhancement to Foothill Transit service.

Following discussion, the Executive Board authorized the Executive Director to execute an amendment to Contract No. 05-031 with Watry Design, Inc., for additional A&E Services for the West Covina Park & Ride. The amendment will:

1. Increase contract fees for Phase 2 of the project on a time and materials basis for additional traffic study work in an amount of \$20,000; and
2. Authorize Watry Design, Inc. to undertake Phase 3 of the project (design development through construction administration) in the amount of \$1,615,519.

Motion: Member Lantz, seconded by Member Chandler
Vote: Unanimously carried

EXECUTIVE DIRECTOR COMMENT

Doran Barnes announced that **1.** Staff will continue to set the bar high and move forward, **2.** The American Public Transportation Association (APTA) Conference is scheduled on October 11-12, 2008, **3.** There will be an update presented on the Fare Box Program in October, and **4.** The next Executive Board meeting is scheduled on October 24, 2008, and will begin at 9:30 a.m. due to a scheduling conflict.

BOARD MEMBER COMMENT

There was none.

ADJOURNMENT

There being no further business, the Executive Board adjourned at 10:00 a.m.